GOVERNMENT OF INDIA
TEXTILES
LOK SABHA

UNSTARRED QUESTION NO:3926
ANSWERED ON:22.08.2003
PROFIT EARNING MILLS OF NTC
RAMSINH PATALIYABHAI RATHWA

Will the Minister of TEXTILES be pleased to state:

(a) whether steps have been taken by the Union Government during the last four year to turn loss making textile mills of National Textile Corporation into profit earning ones;

(b) if so, the number of sick textile mills which were turned into profit earning ones from 1999 till the end of the year 2002; and

(c) the amount spent by Union Government in this regard ?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI BASANAGOUDA R. PATIL (YATNAL)

(a): The BIFR, based on the Government`s proposal, has sanctioned therehabilitation schemes for all the 8 sick subsidiaries of NTC in 2002, consisting of closure of unviable mills and revival of viable mills. Government has agreed for sacrifices/concessions amounting to Rs 5,500 crores by way of capital restructuring for making the schemes viable.

(b): The rehabilitation schemes were sanctioned by BIFR only in 2002 and the implementation period is two years beginning from 2002-03. The mills slated for revival are expected to turn around only after implementation of the rehabilitation schemes.

(c): The rehabilitation schemes, sanctioned by BIFR, would largely be self-financing through sale of surplus land and assets of the NTC. However, the Government is providing all necessary support for successful implementation of the schemes which includes giving guarantee to mobilize Rs 1250 crores through NTC Bonds, apart from releasing Rs 350.47 crores for meeting shortfall in wages/salaries during 2002-03.